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DE RUEHEK #0555/01 1341102  
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O 141102Z MAY 07  
FM AMEMBASSY BISHKEK  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9563  
INFO RUCNCIS/CIS COLLECTIVE IMMEDIATE  
RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 2148  
RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 0237  
RUEHKA/AMEMBASSY DHAKA IMMEDIATE 0249  
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 0735  
RUEHBUL/AMEMBASSY KABUL IMMEDIATE 0543  
RUEHKT/AMEMBASSY KATHMANDU IMMEDIATE 0244  
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 0412  
RUEKJCS/OSD WASHDC IMMEDIATE  
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL IMMEDIATE  
RHEFDIA/DIA WASHDC IMMEDIATE  
RUEAAIA/CIA WASHDC IMMEDIATE  
RHEHNSC/NSC WASHDC IMMEDIATE  
RUEKJCS/JOINT STAFF WASHDC IMMEDIATE  
RUEKJCS/SECDEF WASHDC IMMEDIATE  
RUEHVEN/USMISSION USOSCE IMMEDIATE 2551  
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 1930  
RUEHNO/USMISSION USNATO BRUSSELS BE IMMEDIATE  
RUEHBS/USEU BRUSSELS IMMEDIATE  
RUEHLMC/MILLENNIUM CHALLENGE CORP IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 03 BISHKEK 000555

SIPDIS

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DEPARTMENT FOR SCA/CEN

E.O. 12958: DECL: 05/14/2017

TAGS: PREL PGOV MARR KG

SUBJECT: DEJA VU: KYRGYZ WANT GREATER COMPENSATION FOR  
BASE ACCESS

REF: BISHKEK 528

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Classified By: Ambassador Marie L. Yovanovitch, reasons 1.4 (b) and (d)

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¶1. (C) SUMMARY: On May 10 and 11, Ambassador held separate meetings with National Security Council Secretary Mamytov and Deputy Defense Minister Oruzbayev who urged the USG to bring outstanding base issues to a close. They also indicated that the GOKG will shortly seek to reopen the compensation agreement for access to the Manas Air Base and that this will be on the agenda for upcoming talks with Defense Secretary Gates. End Summary.

GOKG URGES U.S. TO SETTLE BASE INCIDENTS

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¶2. (C) On May 10 and 11, Ambassador held separate meetings with National Security Council Secretary Mamytov and Deputy Defense Minister Oruzbayev. Oruzbayev made clear that he was speaking not just as Acting Defense Minister, but as Chairman of a committee he termed the "Inter-Agency Committee on Manas." Both men underscored the importance of settling the outstanding issues on the base: speeding up the shooting investigation, providing compensation to the widow, and coming to closure on the September collision. The normally soft-spoken Oruzbayev said the situation is "not good; we are making it possible for our opponents to capitalize on the issue."

¶3. (C) They both also noted the avalanche of negative press about the base over the last two weeks and the difficulties this causes the Kyrgyz government. Ambassador noted that after a period of relative calm on the base, it almost appeared as though someone had given an order to write

articles against the base. Mamyтов responded cryptically that one could only speculate who this benefited. Oruzbayev said the articles created an atmosphere that was difficult to combat, particularly as there would be open parliamentary hearings on May 28. It was important to settle the outstanding issues, as public and parliamentary opinion are against the base.

AMBASSADOR URGES KYRGYZ LEADERS TO SHAPE THE ISSUE

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¶ 4. (C) Ambassador told both men that the United States is familiar with public opinion and how it can shape an issue, but it is important for the Kyrgyz leadership to stand up and explain why the base is important to the Kyrgyz people, rather than trying to outdo the critics in dumping on the base. She said that she was very concerned about the rush to judgement among Kyrgyz ministers and the press, when a U.S. contractor at the base was involved in a car accident (Ref A). The U.S. was trying to turn around the image of the base, but the Kyrgyz government needed to help; this was in the interests of both countries.

¶ 5. (C) Both men said that in the current climate, the best thing the U.S. could do is settle the incidents, so both sides could move on. Mamyтов urged the Ambassador to solve the problems before the upcoming visit of Secretary of Defense Gates. Oruzbayev also suggested that it would be useful to inform the public about the new procedures at the Base, as well as the safety improvements the Base is implementing.

REOPENING THE COMPENSATION AGREEMENT

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¶ 6. (C) Both men said that given the economic situation in Kyrgyzstan, the political pressure from Shanghai Cooperation Organization member states, especially Russia, China, and Kazakhstan, combined with the negative attitude of parliament and the public, it was necessary to review compensation arrangements for the base. Oruzbayev indicated that Foreign Minister Karabayev would call in the Ambassador the week of May 14 to provide official notification. The list of possible areas where the Kyrgyz are interested in greater compensation or compensation for the first time follows:

-- Direct subsidies to the budget. Oruzbayev noted there was no need to negotiate another protocol. All that was needed is more money to the budget, "as some of the Kyrgyz parliamentarian-businessmen make more money than the \$17.4M agreed to in the July 2006 protocol."

-- Taxing the companies that do business at the base. Oruzbayev said the GOKG needed lists of company names and specific contract amounts.

-- A new radar for the Kyrgyz Air Navigation Service. Surprisingly, it was Mamyтов, not Oruzbayev who raised this.

-- Fuel contracts. There was a difference in the way that the two men presented this one, although the essence may be the same. Mamyтов said that Red Star, the Canadian fuel contractor, is receiving Russian fuel at the preferential rates provided to EvroES (European Economic Council) members and was accusing the GOKG of "stealing;" Mamyтов said we needed to find "a way out." Oruzbayev said that the GOKG wanted the contract. Ambassador told Oruzbayev that after President Bakayev had reversed the Kyrgyz decision on the fuel contracts, the contract was being or had already been renegotiated. She added that when the fuel contract is up for tender in the future, Bakayev would need to indicate an interest, since he had been so clear that he did not want the Kyrgyz government involved in the fuel contract.

-- Penalties for fuel dumping. Oruzbayev assured the Ambassador that commercial flights would also have to pay penalties.

-- Fines for other (unnamed) ecological harm that the base has brought.

17. (C) Oruzbayev indicated that some issues on the above list are more likely to be raised than others. Both men assured Ambassador that the political decision to maintain the base in Kyrgyzstan had not been reversed; it was merely time to review the compensation agreement. They both indicated that this issue would be raised during Secretary of Defense Gates' upcoming visit. In both meetings, Ambassador said the U.S. is always ready to discuss issues, but since a compensation arrangement had just been concluded less than a year ago, it was unlikely that Washington would be interested in reviewing that arrangement once more.

COMMENT

18. (C) There appear to be two inter-related issues: a poor country's need for more money and the need to show that the GOKG is defending Kyrgyz interests. Having turned its back on HIPC and with Kazakh and Russian loan promises still just promises, the Kyrgyz government is casting about for a way to make its budget whole. The Kyrgyz have always believed that they are not fairly compensated for base access, and they are now using the upcoming SCO Summit and the political fallout

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from the Ivanov shooting to reopen the compensation agreement. Likewise, Kyrgyz demands for greater compensation are sparked by the need to respond to criticism that they are not defending Kyrgyz interests. While the base issues remain open cases, the U.S. is more vulnerable to an approach on renewed base compensation, and we urge Washington to resolve them soonest. That said, Oruzbayev signaled that the GOKG is interested in some form of increased compensation for base access: "This will happen," he said.

YOVANOVITCH